

Status of IDA Activity in Michigan

Fact Sheet March 2006

IDA (Individual Development Account) activity is exploding in Michigan. The Michigan IDA Partnership (MIDAP), a partnership between the **Michigan Department of Human Services (DHS)** and the **Council of Michigan Foundations**, has created a statewide program with over 1600 IDA Accounts available. IDAs help working poor families save toward their household dream of buying a home, attaining post-secondary education, or starting a small business. Since 2001 Michigan has:

- Established **5 IDA Program Regional Networks** to reach a statewide goal of 2000 IDA Accounts
- **Increased** the number of **available IDA Accounts** in Michigan from 50 to more than **1600**
- Expanded the number of **IDA Program Sites from 5 to 50**
- Over **1300 open/active accountholders** saving toward their IDA Asset Goal.

OUTCOMES:

- The Independent Evaluation Report through Year Three of the project found:
The **typical IDA Participant is a 33-year-old unmarried African-American** woman with some college education, a full-time job, a **monthly household income of about \$1,700** (\$20,000 annually), and **two children** living at home. Nearly 80% of all participants plan to purchase a home, 10% intend to use their account for a business, and 10% for education.
 - **Regular savings** by participants **went from 25 to 71 percent**, and 87 percent report they expect to save regularly in the future.
 - 99 percent have been **affected positively by being in their IDA Program** and 84% believe the financial management education classes have helped them save.
 - 90 percent are **more aware of their credit rating**. Families showed, on average, a **12% to 23% increase in their credit score** depending on the credit score source.
 - 83 percent report they are **more likely to work or stay employed** since opening their IDA

* Full evaluation reports are available online at <http://www.cmif.org/IDA/IDAEvaluation.htm>

- Through March 28, 2006, **751 IDA Participants have made an asset investment** (515 homes purchased, 137 education account uses and 99 business accounts uses). The mortgages **leveraged to date exceed \$44 million** (see charts on back).
- **Leveraged \$3 million in private sector funding**, \$4 million from the **state of Michigan (including DHS and MSHDA funds)** and \$2 million in **Federal Assets for Independence Act** funding (All 5 Regional Coordinating Organizations (RCOs) have received AFIA support).

IDA Policy to Continue Growth:

- **Develop annual State Support for IDA Accounts through DHS and MSHDA existing budgets.**
- **Reauthorization of the Assets for Independence Act** with recommended changes (federal).
- **Passage of the Saving for Working Families Act** (federal).

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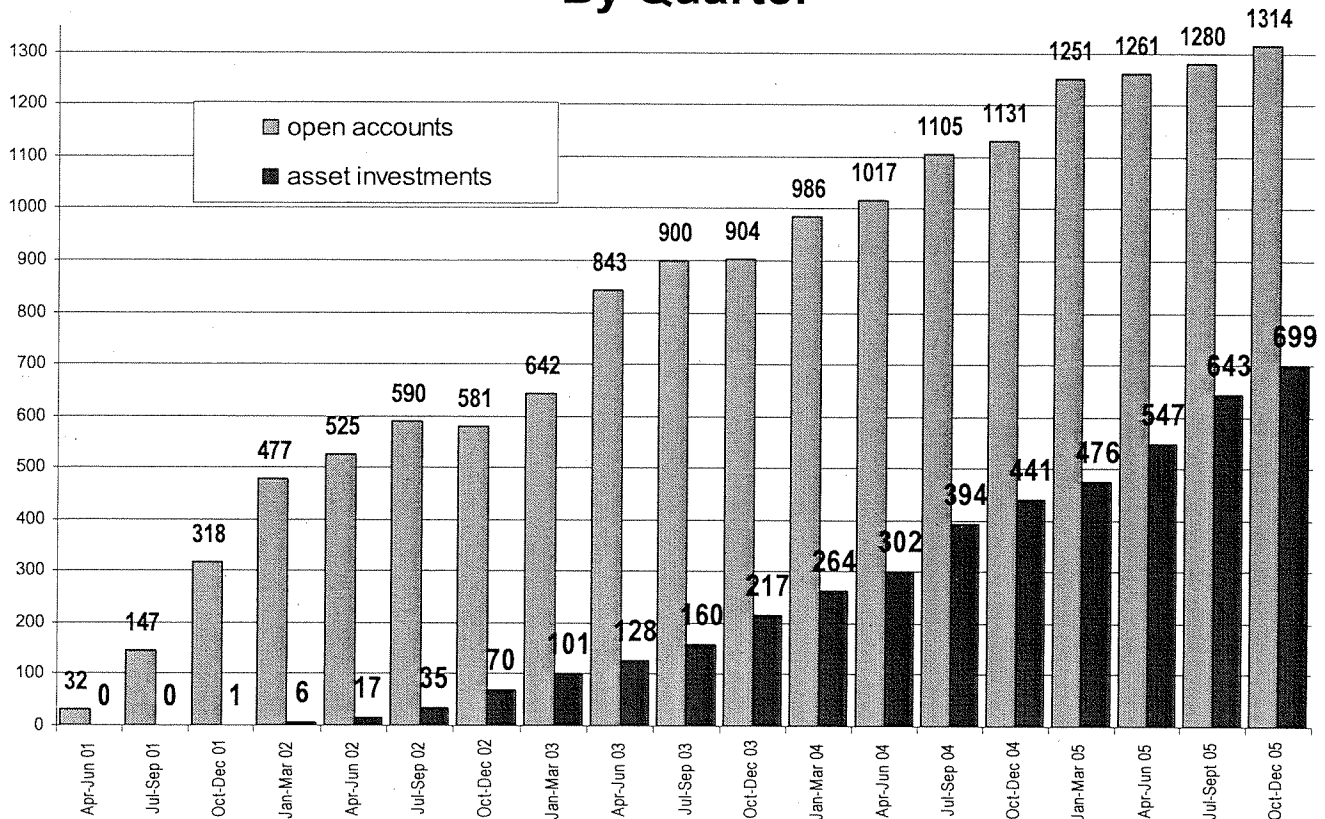
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Michigan IDA Partnership Program Status Update March 2006

Cumulative Open Accounts & Asset Investments By Quarter



Asset Investments Summary Table

As of March 28, 2006

Homeownership Accounts	515
Education Accounts	137
Business Accounts	99
Total Asset Investments	751
Total Participant Savings	\$ 724,970
Total Match Amount	\$ 2,099,672
Current Mortgages Leveraged	\$ 44,604,823

In addition to the quantitative impact of the growing number of IDA Asset Investments, the program is also having a qualitative impact on its participants including:

- All participant graduates indicate they continue to have a savings goal after the program.
- 94% of graduates continue to create and use household budgets.
- 90% of graduates feel more economically secure.
- 72% of graduates are satisfied with their current financial situation.